

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 966 - SB 1314

February 15, 2017

SUMMARY OF BILL: Establishes an 11-member Advisory Council on Payment Reform in Health Care, which shall be administratively attached to the General Assembly, and required to report to the Health and Welfare Committee of the Senate and the Health Committee of the House of Representatives, for the purpose of reviewing episodes of care and the general structure and operation of payment reform in health care. Requires the Council to report recommendations annually on or before February 1 each year to the Governor and specified committees of the General Assembly.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$7,600

Assumptions:

- Pursuant to Section 1(b) of the bill, the Council will consist of four legislative members (two Senate committee chairs and two House committee chairs) and seven non-legislative members from the health care industry.
- All members will be appointed to the Council by the Speakers and will serve four-year terms.
- Pursuant to Section 1(j) of the bill, legislative members of the Council are to be reimbursed as members of the General Assembly and paid for attending legislative meetings; other members shall not receive compensation for service, but be reimbursed for any travel expenses incurred for attending meetings.
- Pursuant to Section 1(g) of the bill, the Council shall meet at least quarterly; therefore, the Council will meet four times per year.
- The General Assembly will be in session at the time of one quarterly Council meeting.
- Based on information provided by the Office of Legislative Administration, legislative members will receive per diem of \$220 per day for three Council meetings each year; all members will receive \$0.47 per mile roundtrip; and the average miles travelled per member is estimated to be 262 miles roundtrip.
- The average mileage reimbursement per member for each meeting is estimated to be \$123 (\$0.47 x 262 miles).
- The total cost per legislative member for each meeting is estimated to be \$343 (\$220 per diem + \$123 mileage).

- The annual cost relative to legislative members is estimated to be \$4,116 (4 members x \$343 x 3 meetings).
- The annual cost relative to non-legislative members is estimated to be \$3,444 (7 members x \$123 x 4 meetings)
- The recurring increase in state expenditures as a result of the bill is estimated to be \$7,560 (\$4,116 for legislative members + \$3,444 for non-legislative members).
- Pursuant to Section 1(i) of the bill, staff assistance shall be provided by appropriate committee research analysts for each house of the General Assembly. Any such assistance can be provided utilizing the existing resources of the General Assembly; therefore, any state expenditures relative to staffing the Council is estimated to be not significant.
- Any increase in state expenditures to report results to the Governor and the specified committees is estimated to be not significant and can be accommodated within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rnc